

Message Text

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PAGE 01 BUENOS 05856 082124Z

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TAGS: ELAB, PINT, SOCI, AR
SUBJECT: WORK STOPPAGES IN AUTO PLANTS

REF: BUENOS AIRES 5796

1. MAJOR AUTO MANUFACTURING PLANTS IN THE GREATER BUENOS AIRES AREA HAVE EXPERIENCED A SERIES OF WILDCAT WORK STOPPAGES AND SLOW-DOWNS SINCE SEPT 1 BY WORKERS DEMANDING WAGE INCREASES BEYOND THOSE ESTABLISHED BY THE OFFICIAL 12 PERCENT WAGE HIKE DECREED EFFECTIVE THAT DATE. THE FACTORIES AFFECTED THUS FAR INCLUDE THE CHRYSLER PLANTS AT SAN JUSTO AND MONTEI CHINGOLO, FORD AT GENERAL PACHECO, GENERAL MOTORS IN BARRACAS, MERCEDES BENZ AND FIAT.

2. NONE OF THE AUTO MANUFACTURERS IN ARGENTINA MEET THE EXCEPTIONAL CRITERIA PROVIDED IN THE RECENT WAGE DECREE UNDER WHICH SPECIAL BONUSES MAY BE PAID IN EXCESS OF THE LEGAL 12 PERCENT INCREASE. A MAJOR IMPEDIMENT IS THE REQUIREMENT THAT THE COMPANY NOT HAVE INCREASED ITS PRICES DURING THE FOUR MONTHS PRECEDING THE BONUS. CHRYSLER, FOR EXAMPLE, HAS INCREASED THE PRICES OF ITS PRODUCTS EVERY 15 DAYS.

3. IN ALL CASES THUS FAR THE STOPPAGES HAVE BEEN PEACEFUL. AT THE CHRYSLER PLANT IN SAN JUSTO YESTERDAY, WORKERS MASSED IN FRONT OF THE MANAGEMENT OFFICES IN A PEACEFUL DEMONSTRATION UNTIL THE PLANT CALLED IN ARMY TROOPS.

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PAGE 02 BUENOS 05856 082124Z

THE WORKERS THEN DISPERSED AND RETURNED TO THEIR WORK POSTS

WHERE THEY HAVE REMAINED IDLE.

4. THE STOPPAGES IN THE AUTO PLANTS CONSTITUTE A POTENTIALLY SERIOUS PROBLEM FOR THE GOVERNMENT, BECAUSE THE ISSUE IS ONE WHICH GENERALLY AFFECTS THE ENTIRE WORK FORCE AND IS LIKELY TO SPREAD TO OTHER LEADING INDUSTRIAL SECTORS UNLESS THE GOVERNMENT RESPONDS EFFECTIVELY. THE LABOR MINISTER MET YESTERDAY WITH AUTO INDUSTRY REPRESENTATIVES AND REPORTEDLY TOLD THEM THE GOVERNMENT FULLY INTENDED TO REMAIN FIRM LEST A NEW ROUND OF PAY INCREASES IN THE AUTO INDUSTRY DRAG ALL THE OTHER INDUSTRIES INTO ANOTHER INFLATIONARY CYCLE. HE REPORTEDLY TOLD THE MANAGEMENT OFFICIALS THAT THEY WOULD BE EXPECTED TO LIVE UP TO THE LETTER OF THE RECENT WAGE DECREE AND THAT NO FURTHER PAY INCREASES WOULD BE AUTHORIZED UNTIL THE END OF THE YEAR. HE REPORTEDLY ALSO STATED THAT THE STOPPAGES WERE NOT SPONTANEOUS, BUT HAD BEEN ORCHESTRATED BY "TROUBLEMAKERS". ACCORDING TO CHRYSLER REPRESENTATIVES, THE STOPPAGE IN THEIR PLANT IS BEING LED BY WORKERS WHO ARE NOT REGULAR UNION OFFICIALS. THE NATIONAL AUTO UNION, SMATA, HAS BEEN UNDER GOVERNMENT INTERVENTION SINCE THE COUP LAST MARCH. WITH THE APPROVAL OF THE NEW GOVERNMENT, CHRYSLER HAS SINCE MARCH DISMISSED ABOUT 70 WORKERS CONSIDERED TO BE "MAJOR TROUBLEMAKERS". IT NOW INTENDS TO DISMISS THE NEW RING-LEADERS IF THE WORKERS DO NOT RETURN TO WORK THIS AFTERNOON AND, ITS REPRESENTATIVES AFFIRM, IT HAS THE FULL SUPPORT OF THE GOVERNMENT FOR THIS PROPOSED ACTION.

5. ONE OF THE FIRST MEASURES OF THE PRESENT GOVERNMENT WAS TO SUSPEND THE RIGHT TO STRIKE AND OTHER "MEASURES OF FORCE" BY THE LABOR FORCE, IMPOSING PENALTIES RANGING FROM FINES TO DISMISSAL. ACCORDING TO PRESS ACCOUNTS, THE GOVERNMENT IS NOW PREPARING A NEW "LAW OF INDUSTRIAL SECURITY" INTENDED TO TIGHTEN THE RESTRICTIONS AND PENALTIES FURTHER.
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